Preserved

App. F. IX-4

1930-31 (L. Dn.)

File No. 12-30

Previous References
L. Dn 4-29 (1, 3 & 4)

Serial Nos. 1-3

Later References

preserve

General and Revenue Secretariat.

Serial Nos. 3.

L Dy (C)

Part B for January 1931.

SUBJECT.

Amendments to bye-laws relating to Land mortgage Banks

Sl. 3. No. G. 5674-8 Dt. 27/11/30

To The Registrar, Co-operative Societies with copies
President. L. D. Bank.
Revenue Commr. in Mysore.
Comptroller to post

Makes certain amendments to the bye-laws of the Land mortgage banks

24/

C R. S. APP F. III—1] 1930-31

GENERAL AND REVENUE SECRETARIAT.

(L.M.)

NOTES.

File No. 12-30

FILE HEADING.

~~Por~~ Amendment to byelaws relating to L ins Banks.

FROM

Registrar of Cooperative Societies

No. 1735 S Dated 20.9.1930 Received 23.9.30

Diary No. 219 S	Enclos 4	Spare copies —	Serial No.

BRIEF ABSTRACT OF LETTER.

Forwards for orders ~~the~~ letter of 10th/11th Sept 1930 from the President L ins Bank requesting the amendment to byelaws 70, 74 relating to the holding of the meeting of Board of Directors and ~~about~~ byelaws 58 about the appointment of an executive committee for dealing with questions of policy

NOTES AND ORDERS.

S.R.

From the same officer no 1653 S 18.9.1930 Recommends the amendment of byelaws 30 & 48 about grant of loans to bona fide agriculturists & the grant of loans on the security of coffee & cardamom estates.

NOTES—First Sheet.

WD 01633—GPB—5,000—3-5-29

V To

General and Revenue Secretariat

File No. Gm /2 of 1930.

Serial No.	

Submitted

Bye law 38, under this bye law, loans can be granted only to members but not registered societies. With a view to limit the grant of loans to members not owning lands in the areas to which the operations of the Bank have been extended but also living there, it is proposed to insert the words "nor any individual member other than a bona fide agriculturist" before the words "shall be granted loans".

Bye law 48. In order to include ~~land~~ coffee & cardamum lands in the property to be mortgaged for the grant of loans, this bye law is proposed to be amended as follows:—

"Long term loans granted by the Bank shall not exceed 40 per cent of the value of the property which is mortgaged to the Bank on account of the loans in the case of coffee & cardamum lands & 50 % in other cases."

Bye laws 70 & 74. About the holding of the meeting of the Board once a quarter. The word "month" in 74 is proposed to be changed into "quarter" & the bye law 70 being ~~restored to its original~~ modified as recommended by the Registrar in his letter § 19.4.1930

Bye law 58. about the administration

NOTE—Contn. Sheet.

WD 02553—G PB—50,000—8 7 30

§

31

2168
2195

File No. X 22 12 of 1930 General and Revenue Secretariat

of the Bank, the
~~The~~ President recommends that the
bylaw may be amended as recommended by the
Board but the Registrar states that in
view of the wording of bylaw 78 authorising
the Board of Directors to frame subsidiary rules
for the conduct of business etc., no amendment
to bylaw 58 is necessary. But the President
states that as the active working of the Bank is
vested in the Board of Directors only, it is
not correct to include the Board of
Supervision & the General body in the bylaw.
Submitted for orders,

28/
14/10 Y. A draft showing the existing & the proposed
bye-laws is Subd.
WB

31 23/10
Bye. law 38: There does not seem to be any
necessity for the change. The idea of the Board
appears to be to deny the benefits of the Bank
to absentee land-lords & those persons owning
land within the limits of the talukas concerned
but not actually residing therein. This exclusion
does not appear reasonable, as such persons
may require money for the improvement of their
lands & might have got into debt in connection
with the lands. S. 40 defines the purposes for
which loans may be given & so long as the Board
is satisfied that the money is required for one or
more of the said purposes, I think it is bound

General and Revenue Secretariat

File No. Lgs 12 of 1930.

(4)

Serial No.

to grant the loan irrespective of whether the applicant resides within the limits of the Bank's operations or outside them. An absentee land-lord living solely on the produce of his lands is assumed a bona-fide agriculturist as one who actually tills his own land. Statement is gained, therefore, by the proposed change of wording. The Bye-law 3, referred to by the President, distinctly says that relief is to be afforded to "bona fide" land-owning members. So, it is not apparent how those members who own lands within the limits of the Bank's operations, but reside elsewhere or do not personally cultivate, or supervise the cultivation of, their lands, can be denied the benefits of the Bank. The President seems to fear that such persons will misutilise the money for other purposes, but such misapplication may also be made by resident cultivators. It is for the Bank to exercise proper check against such wrong use.

Bye-law 48: The proposed modification may therefore be approved

Bye-law 58: As pointed out by the Registrar there does not seem to be any necessity for the modification of this bye-law. The Board's object is to get urgent & routine business speedily despatched. This may be arranged for under bye-law 78. The Committee exclusively delegated to the Board by bye-law 73 appears to be different from its administrative functions under bye-law 58.

NOTE—Contn Sheet.

WD 02553—G PB—50,000—8 7 39

Bye laws 70 & 74: The proposed modifications may be approved.

C. Isley

C.
28/10

CHIEF SECRETARY
28 OCT. 1930

4) The proposal to amend bye laws 70 and 74 so as to enable the Board to hold quarterly meetings may be approved.

5) The appointment of an executive Committee with power to exercise delegated functions seems to require more specific authority than is conferred on the Board by bye law 78. The ~~insertion~~ following may be inserted after the first sentence of this bye law ~~would perhaps be suitable~~

" Among other matters, such instructions may provide for the disposal of the routine and urgent business of the Bank by an executive Committee consisting of the President and not more than four members of the Board. The executive committee shall exercise such functions and powers as may be delegated to it by the Board and its decisions shall be subject to review by the Board "

6) I agree with the view expressed.

General and Revenue Secretariat

File No. Lm 12 of 1930

Serial No.

by the Asst Secy that it is rather expedient nor desirable to debar absentee landowners, as seen from getting loans from the Bank. If a particular applicant is considered to be undeserving, it is always open to the Bank to reject his application and it may do so without assigning any reasons. (Bye law 39).
It is laid down in Bye law 38 that no member can claim a loan as a matter of right. The Board has thus got ample powers to deal with undesirable applicants, whether they are absentees or residents.

7/ The proposal to limit loans to owners of coffee and cardamom lands to 40% of the value of the mortgage properties may be approved. But this would be only a working rule and need not be embodied in the bye-laws.

Second Member

30/10/30
Ce
30/10

8/ Papers to the Chief Secretary to the above points.

Ce
31.10.30

OFFICE OF THE SECOND MEMBER OF COUNCIL
30 OCT. 1930
No. 3495

NOTE—Contn. Sheet

WD 02553—50,000—GPB—8-7 30

nly 11/30
Ce
4/11

2168
2195

File No. Ldn 12 of 1930

General and Revenue Secretariat

45
288

Subd with a draft Ge
30/11/30 to Home Dept as revised
Ce 7/11

Subd with re typed draft
WF
15/11/30
Opn for approval
Ch. Sec
Ce 15/11

OHIEF 17 NOV. 1930

4168.
20.11.30

Ans 21.11.30
Ce 24/11

Same Ce 24/11

40

3

To Registrar, Cooperative Societies
" President, L.M.B.
" Rev Comm
" Comptroller to Govt.
G. 5674-8 of 7-11-30
Makes certain amendments to the bylaws of the L.M. Bank

Prem Sec
VRS

GENERAL MISCELLANEOUS BRANCH
27/11/30
28 NOV

B
VRS
2/1/31

No. 1735 C.S. Ex.4

Telegraphic Address: "CO-OPERT" BANGALORE

DEPARTMENT OF CO-OPERATION
GOVERNMENT OF MYSORE.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Dated, Bangalore, 20th September 1930

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE, BANGALORE.

CHIEF SECRETARY TO GOVT. 23 SEP. 1930
AL MISCELLANEOUS BRANCH 2495 23 SEP.

N.Madhava Rao, Esq., B.A., B.I.,
Chief Secretary to Government
of Mysore, Bangalore.

Ex. 12-30-1

Sir,

I have the honour to forward, herewith, a copy of letter No.4047 dated 10th/11th September 1930 with copies of its enclosures received from the President of the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore City with regard to the amendment of byelaw No.74 of the Bank and to state that, with a view to avoid unnecessary cost, in the byelaws proposed by me and submitted to Government with my letter No.499/C.S.dated 18th/20th July 1929, provision had been made for the meetings of the Board once in two months and for the obtaining of the opinion of the Board by circulation of papers in urgent cases as provided in byelaw No.68. I am therefore of opinion that byelaws No.70 and 74 may be amended as proposed by the President.

With regard to the proposal of the Bank for the appointment of an Executive Committee and the changing of byelaw No.58 accordingly, I am of opinion that the Board has got powers to appoint Sub-committees from among themselves for dealing with any questions not involving lines of policy or matters of special importance (vide byelaw 78 which reads "It shall be competent to the Board of Directors to frame subsidiary instructions for the conduct of the business of the Bank....."). In fact this is being done already. The Board has appointed a loan Sub-Committee which scrutinises all applications for loans before they are sanctioned. A copy of the resolution passed by the Board on this subject is enclosed herewith for ready reference. The Byelaw No.58 regarding the administration of the Bank is allright and does not seem to require any change. It is only the executive administration of the Bank that is vested in the Board of Directors under byelaw No.73 which reads "The entire executive authority

P.T.O.

authority of the Bank shall be vested in the Board of Directors and not the entire administration.)

I have the honour to be,
Sir,
Your most obedient servant,

K H Ramaya
Registrar.
R.

17/9.

Letter No.4047 dated 10/11th September 1930 from the President The Mysore Co-operative Land Mortgage Bank,Ltd.,to the Registrar of Co-operative Societies in Mysore,Bangalore.

****

In forwarding herewith an extract of resolution No.15 recorded at the meeting of the Board of Directors of this Bank held on the 16th ultimo, I have the honour to state that Byelaw No.74 of the Bank requires that the Board should meet "once a month or oftener if necessary to conduct the affairs of the Bank". As explained in para 4 of my letter No.3948 dated the 8th instant forwarding the estimate of expenditure for the current year, every meeting of the Board costs nearly Rs.300 in the shape of travelling allowances and sitting fees to the Directors,as some of them have to come from such long distances as Koppa, Sagar,Thirthalli, Saklespur etc., where they reside. With a view therefore to keep down the expenditure under this head, the Board are of opinion that it will be sufficient if it is made obligatory to hold their meetings once a quarter instead of once a month, particularly in view of the fact that the Bank has been working for about nine months and all outstanding questions of importance have been disposed of and there would not be therefore work enough for the Board every month.

2. The byelaws of the Madras Central Co-operative Land Mortgage Bank provide for the appointment of an Executive Committee in whom the administration of the Bank may be vested subject to the control of and delegation by the Board of Directors. Our Board are of opinion and have resolved that a similar provision may be made in the byelaws of the Bank,so that all urgent as well as routine matters may be dealt with by a small Executive Committee,and only important subjects which have to be decided by the whole Board placed at the meetings of the Board. I request that you will be so good as to obtain the approval of the Government to the resolution of the Board and the consequential amendments to be made in the byelaws of the Bank as shown in the annexed draft.

****

" Copy "

17/9.

M H Ramaya 19

Registrar.

Draft amendment of the byelaws of the Bank in accordance with the Board's resolution dated 16th August 1930.

---

(1) Byelaw 74.

For the word 'month' in line 1, substitute 'quarter'.

(2) Byelaw 70.

For the words 'the meetings of the Board for three consecutive months , substitute 'three consecutive meetings of the Board'.

3. For the present byelaw 58, substitute the following:-

"The administration of the Bank shall vest in the Board of Directors and subject to control and delegation from that Board, in an Executive Committee consisting of the President and not more than 4 other Directors."

****

Note: According to byelaw 58 as it now stands, "the administration of the Bank shall be vested in the following:-

(a) Board of Directors.
(b) Board of Supervision, and
(c) General body of the members of the Bank."

Considering that the Board of Directors is really the body responsible for the administration of the Bank, and that the functions of the Board of Supervision and the General body are of a different nature (vide byelaw 81 and 82), it is not correct to say that the administration is vested in the latter bodies. The corresponding byelaw 27 of the Madras Central Land Mortgage Bank reads as follows:-

"The entire administration of the Bank shall vest in the Board of Directors and subject to the control and delegation from that Board, in an Executive Committee consisting of the Registrar, the President, the Vice President, Treasurer and 2 other Directors."

This gives a more correct idea of the position of the Directors and their responsibility for the administration of the Bank. It is therefore proposed to adopt the same wording, except that with regard to the personal of the Executive Committee, a modification is made in the draft amendment (3) above, as the Registrar is not a member of the Board of Directors of this Bank and there is no provision for a Vice-President.

****

" Copy "

K H Ramayya
Registrar.

2

Extract of resolution No.15 recorded at the meeting of the Board of Directors of the Mysore Co-operative and Mortgage Bank, Ltd.,held on 16th August 1930.

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x x x x x

"Resolved that with a view to minimise expenditure, steps be taken to amend byelaw No.74 of the Bank so as to allow meetings of the Board being held once a quarter, and to provide for the appointment of an Executive Committee to exercise such powers as may be delegated to it by the Board."

x x x x x x

****

Registrar.

V3

Resolution No.6 passed at the Meeting of the Board of Directors of the Mysore Co-operative Land Mortgage Bank,Ltd., held on 27th May 1930.

****

6. Loan applications:- "Resolved that a sub-committee consisting of the President and Messrs.S.Venkatakrishnaiya, B.Kempanna, and S.Sajjan Rao be constituted to go through all loan applications and sanction or reject them at their discretion, that a report of all such cases dealt with by them be placed for the information of the Board at the succeeding - meeting, and that all cases be also placed before the Board in which there is disagreement among the members of the Sub-Committee as well as any other cases which the President at his discretion may consider desirable to place before the Board."

Further resolved that the sub-committee be authorised to invite any other member of the Board to attend its meetings and help it in the disposal of the applications."

****

" Copy "

Registrar.

No. 1653 (Con 2)

DEPARTMENT OF CO-OPERATION
GOVERNMENT OF MYSORE.
OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Telegraphic Address:
"CO-OPERT"
BANGALORE

Dated, Bangalore, 18th September 1930

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE, BANGALORE.

2168 19 SEP. 1930

CHIEF SECRETARY 19 SEP. 1930 19/9

To

N.Madhava Rao,Esq.,B.A.,B.L.,
Chief Secretary to Government
of Mysore, Bangalore.

Sir,

I,have the honour to forward,herewith letter No.3934 dated 3rd/5th September 1930 together with its enclosures received from the President, The Mysore Co-operative Land Mortgage Bank,Ltd.,Bangalore City,in the matte of the grant of the loans from the Bank or from the Land Mortgage Societies to persons who own agricultural land in the area of lending operations of the Bank and of the societies, but do not actually reside therein or carry on agricultural operations, and to state as follows:-

Under the existing byelaws of the Bank and the societies, the discretion to grant a loan or refuse it rests entirely with the Board of Director But the President is of opinion that the policy of the Bank in such matters should be clearly defined by Government and I concur with his view.

With regard to the question of the grant of loans on the security of coffee and cardamom lands raised by the Board, I am of opinion that such lands should not altogether be excluded from the operations of the Bank, and that in the case of coffee and cardamom lands, the limit of loans may be fixed at 40 per cent instead of at 50 per cent of the value of the property.

In view of the above considerations, byelaws 38 and 48 may be amended as follows:-

Byelaw No.38: as amended:-

"Loans shall be granted only to members,but no registered society other than a local Land Mortgage Society,nor any individual member other than a bonafide agriculturist shall be granted loans. No member can claim a loan as a matter of right . Applications for loans shall be disposed of by the Board of Directors"

Byelaw No.48 as amended

" Long-term loans granted by the Bank shall not exceed 40 per cent of the value of the property which is mortgaged to the Bank on account of

P.T.O.

of these loans in the case of coffee and cardamom lands and 50 per cent in other cases".

I have the honour to be,
Sir,
Your most obedient servant,

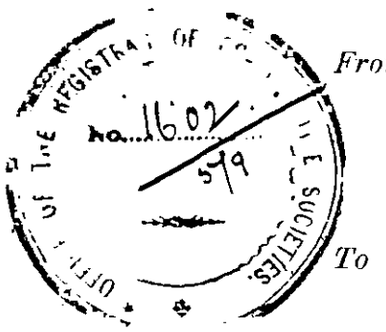
K H Ramaya
Registrar.

11/9.

WHILE REPLYING PLEASE REFER TO
No. 3934/Enclose

BANGALORE CITY,

DATED 3rd September 1930



From

Rajasabhabhushana K. R. SRINIVASIENGAR, Esq., M.A.,
President, The Mysore Co-operative Land Mortgage Bank, Ltd.,
BANGALORE CITY.

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
B A N G A L O R E.

(Through the Registrar of Co-operative Societies in Mysore, BANGALORE).

5.9.30

Sir,

In forwarding herewith an extract of resolution No.8 recorded at the meeting of the Bank's Board of Directors held on the 16th ultimo, I have the honour to state that under bye-law No.37 of the Bank, which has been approved by Government, "the lending operations of the Bank, shall, for the present, be confined to the Taluks of Sagar, Koppa, Saklaspur and Tumkur." Some doubt has been felt by the Board regarding the interpretation of the bye-law. Instances have arisen in which the applicants for loans, though owning properties situated within the Taluks mentioned above, reside elsewhere and are employed in Government Service or other avocations unconnected with agriculture and are therefore not in a position to personally attend to, or even supervise the cultivation of their lands. There is nothing in the Bank's bye-laws precluding the grant of loans to such applicants; but the object of the Bank being mainly the relief of agricultural indebtedness as mentioned in bye-law No.3, the grant of loans to such applicants cannot, strictly speaking, be considered as achieving this object. As the matter is not free from doubt, I request the favour of the orders of Government on it.

2. I may state that the grant of loans to persons residing at long distances from their lands and not mainly depending on the lands for their living, will frustrate the

object

object with which the Bank has been started. I am therefore of opinion that loans should be granted only to bona fide agriculturists residing within the Taluks to which the lending operations of the Bank are confined by the Government. If this view meets with the approval of Government, the first sentence of bye-law No.38 of the Bank may be modified as follows:-

" 38. Loans shall be granted only to members, but no registered society other than a local land mortgage society, nor any individual member other than a bona fide agriculturist shall be granted loans."

3. In this connection, the question of the desirability of the grant of loans on the mortgage of coffee and cardamom lands having come up before the Board, the Board have been of opinion that in view of the possibility of rapid deterioration and the consequent fall in value of these lands on account of serious fluctuations in the prices of coffee and cardamom as also from other causes, the Bank will be taking considerable risk by granting loans on the mortgage of these lands. The grant of loans on security of coffee estates may also involve the issue of further advances from time to time for the maintenance of the estates, as the Government had to do in the case of coffee estates mortgaged to the late Agricultural Bank in the Kadur and Hassan Districts, and this may result in further risks to the Bank. In the circumstances, I request to be favoured with the orders of Government whether coffee and cardamom lands may be excluded from the operations of the Bank or at least whether the maximum limit of loans which has been fixed at 50 per cent of the value of the lands under bye-law No.48 may not be lowered, say to 30 or 40 per cent in the case of these lands.

I have the honour to be,
Sir,
Your most obedient servant,

R.S.

PRESIDENT.

Extract of resolution No.8 passed at the meeting of the Board of Directors of the Mysore Co-operative Land Mortgage Bank, Ltd., held on 16th August 1930.

* * * *

8 (a) Question arising from the loan application of Mr. Malali Venkatesiah, regarding the eligibility of persons residing outside the area of the Bank's lending operations to loans on the security of lands situated within such area:-

" Resolved that as the subject is not altogether free from doubt, a reference be made to Government and their definite orders obtained in the matter."

(b) "Further resolved that the question of the grant of loans on the security of Coffee and Cardamom lands be also referred to Government for orders."

* * * *

" c o p y "

SECRETARY.

L.M. 12-30-3

49

Proceedings of the Government of
His Highness the Maharaja of Mysore.

-----:O:-----

Flap B+Q

Read :-

Government Orders No. G. 5927-8/L.M. 4-29-3 dated the 11th November 1929 and No. G. 13303-5/L.M. 4-29-6 dated the 12th May 1930 approving the bye-laws of the Mysore Co-operative Land Mortgage Bank.

Letters No. 1653 dated the 18th September 1930 and No. 1735 dated the 20th September 1930 from the Registrar of Co-operative Societies in Mysore forwarding with his observations letters in original received from the President, Land Mortgage Bank, proposing certain amendments to the bye-laws approved in the Government Orders read above.

Order thereon No. G 5678-8

Dated, Bangalore, 27th November 30.

The following amendments have been proposed:-

Bye-law 38 - According to this Bye-law, loans may be granted only to members. In the case of individual members, the Bd. of Directors ~~Bank~~ propose to restrict the issue of loans only to "bona-fide agriculturists," intending thereby to debar absentee landlords from being eligible for the grant of loans, so as to obviate the possible misuse of such loans. Government, however, do not consider it either expedient or desirable to make the restriction. The

The ~~Bank~~ Board has ample power under bye-law 39 to reject any mala fide applications whether from absentees or residents, so that no useful purpose is served by the proposed amendment.

Bye-law 48 - Under this Bye-law, it is provided that long term loans granted by the Bank shall not exceed 50 per cent of the value of the property mortgaged to the Bank for the loans. The Board of Directors consider that in view of the possibility of the rapid deterioration and consequent fall in the value of coffee and cardamom lands on account of the serious fluctuations in the prices of these commodities etc., the Bank will be taking considerable risks in granting loans up to the limit prescribed above. They, therefore, propose that the limit may be lowered in the case of the above lands. Government agree with this view and are pleased to approve the proposal of the Registrar to limit the amount of loans to be granted to owners of Coffee and cardamom lands to 40 per cent of the value of the mortgaged properties. This shall, however, be considered only as a working rule and need not be embodied in the bye-laws.

Bye-laws 58 and 78 - The Board of Directors propose to amend bye-law 58 so as to vest the administration of the Bank in the Board and, subject to their control and delegation, in an Executive Committee consisting of the President and not more than four

four other Directors,

The Registrar of Co-operative Societies is of opinion that no change is called for in this Bye-law, as under Bye-law 73, the entire executive authority (and not the entire "administration") is vested in the Board and under Bye-law 78 they have power to appoint Sub Committees from among ~~absentees~~ themselves for dealing with questions not involving lines of policy or matters of special importance.

Government agree with the Registrar, but they consider that the appointment of an ~~Ex~~ Executive Committee with power to exercise delegated functions requires more specific authority than is conferred on the Board by bye-law 78. They are therefore pleased to direct that the following addition be inserted after the first sentence of bye-law No. 78:-

" Among other matters, such instructions may provide for the disposal of the routine and urgent business of the Bank by an Executive Committee consisting of the President and not more than four members of the Board. The Executive Committee shall exercise such functions and powers as may be delegated to it by the Board and its decisions shall be subject to revision by the Board. "

Bye-laws 70 and 74 - In view of the large expenditure involved in convening a meeting of the Board of Directors and in view of the fact that all the outstanding

outstanding questions of importance relating to the working of the Bank have been considered and settled, it is proposed to hold the Meetings of the Board once a quarter instead of once a month. Government approve of the proposal and are pleased to direct that bye-laws 70 and 74 be amended as follows:-

Instead of the words " the meetings of the Board for three consecutive months " occurring in bye-law 70 insert the words " three consecutive meetings of the Board " and in bye-law 74, instead of the words " once a month " insert the words " once a quarter ".

21.11.30

Chief Secretary to Government.

15/4

To

The Registrar of Co-operative Societies,
The President, Land Mortgage Bank,
The Revenue Commissioner,

The Comptroller to Government,
" The Press Table "

15.11.30.

S. O.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. G. 5674-8—L. M. 12-30-3, dated 27th November 1930.

Mysore Co-operative Land Mortgage Bank.

Makes certain amendments to the bye-laws of the ——.

READ—

Government Orders No. G. 5927-8—L. M. 4-29-3, dated the 11th November 1929 and No. G. 13303-5—L. M. 4-29-6, dated the 12th May 1930, approving the bye-laws of the Mysore Co-operative Land Mortgage Bank.

2. Letters No. 1653, dated the 18th September 1930 and No. 1755, dated the 20th September 1930, from the Registrar of Co-operative Societies in Mysore, forwarding with his observations letters in original received from the President, Land Mortgage Bank, proposing certain amendments to the bye-laws approved in the Government Orders read above.

ORDER THEREON No. G. 5674-8—L. M. 12-30-3, DATED 27TH NOVEMBER 1930.

The following amendments have been proposed:—

Bye-law 38.—According to this bye-law, loans may be granted only to members. In the case of individual members, the Board of Directors propose to restrict the issue of loans only to "*bona fide* agriculturists," intending thereby to debar absentee land-lords from being eligible for the grant of loans, so as to obviate the possible misuse of such loans. Government, however, do not consider it either expedient or desirable to make the restriction. The Board has ample power under bye-law 39 to reject any *mala fide* applications whether from absentees or residents, so that no useful purpose is served by the proposed amendment.

Bye-law 48.—Under this bye-law, it is provided that long term loans granted by the Bank shall not exceed 50 per cent of the value of the property mortgaged to the Bank for the loans. The Board of Directors consider that in view of the possibility of the rapid deterioration and consequent fall in the value of coffee and cardamom lands on account of the serious fluctuations in the price of these commodities, etc., the Bank will be taking considerable risks in granting loans up to the limit prescribed above. They, therefore, propose that the limit may be lowered in the case of the above lands. Government agree with this view and are pleased to approve the proposal of the Registrar to limit the amount of loans to be granted to owners of coffee and cardamom lands to 40 per cent of the value of the mortgaged properties. This shall, however, be considered only as a working rule and need not be embodied in the bye-laws.

Bye-laws 58 and 78.—The Board of Directors propose to amend bye-law 58 so as to vest the administration of the Bank in the Board and subject to their control and delegation, in an Executive Committee consisting of the President and not more than four other Directors. The Registrar of Co-operative Societies is of opinion that no change is called for in this bye-law, as under bye-law 73, the entire executive authority (and not the entire "administration") is vested in the Board and under bye-law 78, they have power to appoint Sub-Committees from among themselves for dealing with questions not involving lines of policy or matters of special importance. Government agree with the Registrar, but they consider that the appointment of an Executive Committee with power to exercise delegated functions requires more specific authority than is conferred on the Board by bye-law 78. They are therefore pleased to direct that the following addition be inserted after the first sentence of bye-law No. 78 :—

"Among other matters, such instructions may provide for the disposal of the routine and urgent business of the Bank by an Executive Committee consisting of the President and not more than four members of the Board. The Executive Committee shall exercise such functions and powers as may be delegated to it by the Board and its decisions shall be subject to revision by the Board".

Bye-laws 70 and 74.—In view of the large expenditure involved in convening a meeting of the Board of Directors and in view of the fact that all the outstanding questions of importance relating to the working of the Bank have been considered and settled, it is proposed to hold the meetings of the

NO. G. 5674-8—L. M. 12-30-3, DATED 27TH NOVEMBER 1930.

Board once a quarter instead of once a month. Government approve of the proposal and are pleased to direct that bye-laws 70 and 74 be amended as follows:—

Instead of the words "the meetings of the Board for three consecutive months" occurring in bye-law 70, insert the words "three consecutive meetings of the Board" and in bye-law 74, instead of the words "once a month" insert the words "once a quarter".

A. N. RAGHAVACHAR,
Financial Secretary to Government
(*in charge*).

To—The Registrar of Co-operative Societies in Mysore.
The President, Land Mortgage Bank, Limited.
The Revenue Commissioner in Mysore.
The Comptroller to Government.
PRESS TABLE.

EXD—P. S. R .N.

W D 1269—GPB—355 - 3-12-30

Existing bye laws

Amendment proposed

38. Loan shall be granted only to members, but no registered society, other than a Local Land Mortgage Society shall be granted loans. No member can claim a loan as a matter of right. Applications for loans shall be disposed of by the Board of Directors.

38 Loans shall be granted only to members but no registered society other than a local Land Mortgage Society, nor any individual member other than a bonafide agriculturist shall be granted loans. No member can claim a loan as a matter of -- right. Applications for loans -- shall be disposed of by the Board of Directors.

48. Long term loans granted by the Bank shall not exceed 50 per cent of the value of the property which is mortgaged to the Bank on account of these loans.

48 Long term loans granted by the Bank shall not exceed 40 per cent of the value of the property which is mortgaged to the Bank on account of these loans in the case of -- coffee and cardamom lands and 50 per cent in other cases.

58. The administration of the Bank shall be vested in the following:-

(a) Board of Directors.
(b) Board of Supervision; and
(c) General Body of the Members of the Bank.

58 The administration of the Bank shall vest in the Board of Directors and subject to the control and delegation from that Board in an Executive Committee consisting of the President and not more than four other Directors.

70. Any member of the Board who fails to attend ~~three consecutive~~ meetings of the Board shall be deemed to have ipso facto vacated his office.

70 Any member of the Board who fails to attend ~~the~~ Meetings of the Board ~~for~~ three consecutive ~~months~~ shall be deemed to have ipso facto vacated his office.

74. The Board shall meet once a month or oftener if necessary to conduct the affairs of the Bank. No -- member of the Board of Directors shall be entitled to be present at a meeting when any matter in which he is personally interested is being discussed.

74 The Board shall meet once a quarter or oftener if necessary ~~to~~ to conduct the affairs of the Bank. No member of the Board of Directors shall be entitled to be present at a meeting when any -- matter in which he is personally interested is being discussed.